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Release of The Fiscal Monitor

Related document:

- Fiscal Monitor - July 2006

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for July 2006.

Highlights include:

July 2006: budgetary surplus of $0.8 billion

- There was a budgetary surplus of $0.8 billion in July 2006, down $0.9 billion from the surplus in July 2005.
- Revenues increased by $0.7 billion, reflecting solid growth in personal income tax revenues, combined with low growth in goods and services tax (GST) revenues and declines in employment insurance (EI) premium and corporate income tax revenues.
- Program expenses increased by $1.5 billion, reflecting increases in transfers to persons, which now include payments under the new Universal Child Care Benefit (UCCB) program, and increases in transfers to other levels of government. Public debt charges were up $0.1 billion.

April to July 2006: budgetary surplus of $6.3 billion

- For the first four months of the 2006–07 fiscal year, the budgetary surplus is estimated at $6.3 billion, up $1.2 billion from the $5.1-billion surplus posted in the same period of 2005–06.
- Revenues were up $4.2 billion, or 5.8 per cent, driven by strong growth in income tax revenues, slightly offset by declines in EI premium revenues, sales and excise taxes and GST revenues.
- Program expenses were up $2.8 billion, or 5.1 per cent, due to both higher transfers and other program expenses.
- Public debt charges were up $0.1 billion.

- The results to date do not include a significant portion of the $14.3 billion in tax reductions and expenditure increases for 2006–07 announced in the May 2006 budget. July represents only the first month of benefit payments under the new UCCB program ($181 million in July), which is expected to cost $1.6 billion over the full fiscal year, and the first month of the 1-percentage-point reduction in the GST rate, expected to cost $3.5 billion over the fiscal year. In addition, other spending measures have yet to come on stream.

The Fiscal Monitor is a monthly publication that provides details on the federal government's fiscal performance, including revenues, expenses, the budgetary balance and the financial source/requirement.

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